

5 | August | 2021

■ **Price (Euro)** **7.40**
52 weeks range 9.85 / 6.60

■ **Key Data**

ISIN DE000A0KFKB3
Bloomberg E7S:GR
Reporting standard IFRS
Market Cap (Euro million) 240
Number of shares (million) 32.4
Free Float 12.1%
Free Float Market Cap (Euro million) 29
CAGR EBIT ('19-'23e) 13.2%

■ Multiples	2020	2021e	2022e	2023e
Market Cap / Total revenues	12.2	5.5	4.9	4.3
PE-Ratio	14.5	8.2	7.0	6.6
Dividend Yield	0.0%	2.7%	3.4%	4.1%
Price-to-Book-Ratio	0.97	0.87	0.79	0.72

■ Key Data per share (Euro)	2020	2021e	2022e	2023e
Earnings per share (EPS)	0.51	0.91	1.06	1.12
Dividend per share (DPS)	0.00	0.20	0.25	0.30
Book Value per Share (BVPS)	7.62	8.52	9.38	10.25

■ Financial Data (Euro '000)	2020	2021e	2022e	2023e
Capital gains from property sales	19,625	43,738	48,549	55,450
Net rental income	4,855	8,336	10,294	12,700
Net service income	871	1,370	1,785	1,835
Operating profit (EBIT)	34,767	53,910	59,974	65,317
Net interest income	-10,490	-13,704	-12,506	-14,296
Pre-tax profit (EBT)	24,313	40,257	47,515	51,053
Income taxes	-6,258	-10,432	-12,773	-14,019
Net profit after Minorities	16,567	29,370	34,264	36,447
Shareholders' equity (Euro million)	581	862	959	1,054
Privatization Portfolio (Euro million)	418	512	584	585
RoE (after tax)	7.1%	11.2%	11.8%	11.4%
Equity ratio	28.7%	28.8%	28.9%	28.7%

■ **Main Shareholders**

Brookline Real Estate S.a.r.l. 83.1%
Adler Real Estate AG 4.8%

■ **Financial calendar**

1H 2021 report 31 August 2021
9M 2021 report 9 November 2021

■ **Analysts**

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Very good first half in terms of sales volume confirms our full year estimates – portfolio addition in North Rhine-Westphalia – Target up to Euro 12.00, Buy clearly affirmed

Yesterday, the company released first promising key data on the first half of 2021, which ended on 30 June. In the first six months, a total of 360 units were sold for a sales volume of more than Euro 116m. This represents a significant hike compared to last year's period, as the number of units increased by 122% and the sales volume even by 155%. We also believe, that the high sales volume will continue in the second half of the year. While no further numbers were given, with these sales numbers in the book, we continue to be very optimistic for the full year and also see our expectation of a result above the firm's guidance confirmed. Thus, we would not be too surprised if the firm will lift its guidance for the full year at some point of time over the coming months, most likely with the 9M numbers.

Furthermore, about two weeks ago, on 19 July, ACCENTRO announced the expansion of its portfolio with the acquisition of 150 units in North Rhine-Westphalia, thus lifting the portfolio in that region by 45%. The units are located in Essen, Neuss, Duisburg and Wuppertal and have a combined rentable space of 9.5k sqm. 126 of these units are for the own investment portfolio, lifting the annual rental income in our estimate by about Euro 800k. The remainder will be transferred to the privatization portfolio.

We are very pleased with the developments of the first half of the year and are optimistic for the rest of the year as well and feel confirmed in our full year estimates above the firm's guidance. With some level of uncertainty already taken out by the reported sales numbers, we slightly lift our target price from Euro 11.50 to Euro 12.00 and clearly confirm our Buy recommendation.

ACCENTRO Real Estate AG

Industry:	Real Estate	Management Board of ACCENTRO:
Sub-segment:	Residential	Lars Schriewer
Region:	Germany	
Headquarter:	Berlin	
Foundation	2006	
Employees:	93	Supervisory Board of ACCENTRO:
		Axel Harloff
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ACCENTRO Real Estate AG is a leading company for privatization of residential properties in economically strong regions in Germany, as well as for the marketing and sales for property investors and project developers. Furthermore, the company is currently building up an investment portfolio for the own book. The company's strongest focus is on the city of Berlin, but has recently expanded into growth markets such as the Leipzig area or Hamburg and North Rhine Westphalia.

Accentro GmbH was founded in 1999 and in 2011 became a subsidiary of Estavis AG, which was formed in 2006 and was renamed to ACCENTRO Real Estate AG in 2015. The firm has a focus on the German residential market since more than 15 years. Over the recent years ACCENTRO managed to build up a strong track record. Since 2009, more than 18,000 apartments with a volume of with a volume of more than Euro 1.8bn have been sold and the inventory portfolio has significantly been expanded from Euro 155m book value in 2015 to almost Euro 410m at FY 2020. At year-end 2020, about 5,200 units are on the firm's balance sheet after the firm made some significant acquisitions in the second half of last year. Furthermore, the strong sales cooperations with investors and developers offer the company further potential for a rise in revenues in the coming years. With regards to the 2020 results, the company had to record some one-off effects, due to which the company slightly missed the 2020 guidance. The financial position of the company shows an equity ratio of 25.3% and a LTV of 57.8% at 1Q 2021.

For the current year 2021, the company guided a significant hike in revenues and EBIT, as revenues are expected to be in a range between Euro 170m and Euro 200m and EBIT is to grow to a range of Euro 45m to Euro 50m. With a very good first six months and the closings from transactions that were signed in 2020, the company is currently well on track to reach these goals in our opinion.

	FY 2018	FY 2019	FY 2020
Apartments sold (units)	440	463	420
thereof Berlin	68%	59%	65%
thereof Rest of Germany	32%	41%	35%
thereof Owner Occupiers	32%	41%	49%
thereof Buy-to-Let	68%	59%	51%
Transaction value (EUR m)	79.2	110.1	118.7

Source: Company Data, SRC Research

ACCENTRO Real Estate AG 31/12 IFRS ('000)	2018	2019	2020	2021e	2022e	2023e	CAGR '19 - '23e
Revenues from sales of inventory properties	194.009	129.503	112.397	184.321	204.596	227.102	
Expenses from sales of inventory properties	-160.924	-99.661	-92.772	-140.583	-156.047	-171.652	
Capital gains from property sales	33.085	29.842	19.625	43.738	48.549	55.450	16,8%
Letting revenues	8.806	10.261	10.351	15.247	18.449	22.323	
Letting expenses	-2.676	-3.743	-5.496	-6.911	-8.155	-9.623	
Net rental income	6.130	6.518	4.855	8.336	10.294	12.700	18,1%
Revenues from services	2.794	3.510	2.434	2.453	2.944	3.533	
Expenses from services	-511	-1.147	-1.563	-1.083	-1.159	-1.698	
Net service income	2.283	2.363	871	1.370	1.785	1.835	-6,1%
Other operating income	1.663	1.207	1.699	3.245	3.544	3.189	
Gross profit or loss	43.161	39.930	27.050	56.689	64.172	73.174	16,3%
Net revaluation result	0	11.399	28.367	13.741	12.587	9.334	
Total payroll and benefit costs	-4.613	-5.835	-9.048	-10.412	-10.947	-11.574	
Depreciation and amortisation	-349	-731	-863	-856	-902	-951	
Impairments of inventories and accounts receivable	-205	-123	-124	-153	-167	-200	
Other operating expenses	-5.131	-6.079	-10.717	-5.549	-5.224	-4.977	
Net income from associates	2	1.244	102	450	455	511	
Earnings before interest and taxes (EBIT)	32.865	39.805	34.767	53.910	59.974	65.317	13,2%
Other income from investments	36	36	36	51	47	32	
Interest income	944	4.854	11.256	1.741	1.514	2.581	
Interest expenses	-9.869	-12.207	-21.746	-15.445	-14.020	-16.877	
Net interest income	-8.925	-7.353	-10.490	-13.704	-12.506	-14.296	
Profit/loss before taxes (EBT)	23.976	32.488	24.313	40.257	47.515	51.053	12,0%
Income taxes	-5.675	-6.189	-6.258	-10.432	-12.773	-14.019	
Consolidated income from Continuing Operation	18.301	26.299	18.055	29.825	34.742	37.034	8,9%
Earnings after taxes of Discontinued Operation	0	0	0	0	0	0	
Consolidated income	18.301	26.299	18.055	29.825	34.742	37.034	8,9%
Minorities	-103	168	-1.488	-455	-478	-587	
Net profit/loss after minorities	18.198	26.467	16.567	29.370	34.264	36.447	8,3%
Number of shares ('000)	32.438	32.438	32.438	32.438	32.438	32.439	
Earnings per share (EPS)	0,56	0,81	0,51	0,91	1,06	1,12	
Dividend per share (DPS)	0,16	0,00	0,00	0,20	0,25	0,30	
Shareholders' Equity	199.104	220.811	247.101	276.471	304.248	332.586	10,8%
Balance Sheet sum	474.205	580.757	861.987	958.530	1.054.382	1.159.821	
Equity Ratio	42,0%	38,0%	28,7%	28,8%	28,9%	28,7%	
RoE (after tax)	10,3%	12,6%	7,1%	11,2%	11,8%	11,4%	-2,4%
Privatisation Portfolio (Euro million)	344	389	418	512	584	585	
Book Value per share (Euro)	6,14	6,81	7,62	8,52	9,38	10,25	10,8%

SRC Research

- Der Spezialist für Finanz- und Immobilienaktien -

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Rating chronicle:

Company	Date	Rating	former share price	former target
ACCENTRO	2 June 2021	Buy	8.45 €	11.50 €
ACCENTRO	17 May 2021	Buy	8.60 €	11.50 €
ACCENTRO	6 January 2021	Hold	8.30 €	8.50 €
ACCENTRO	13 August 2020	Buy	9.45 €	12.00 €
ACCENTRO	4 June 2020	Accumulate	11.00 €	12.00 €
ACCENTRO	30 March 2020	Buy	7.75 €	9.50 €
ACCENTRO	20 December 2019	Buy	7.70 €	10.00 €

Please note:

The share price mentioned in this report is from 4 August. ACCENTRO Real Estate AG mandated SRC Research for covering the share.

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